

**Yeoval Community Hospital Co-operative Ltd.**  
**“The first multi-purpose health centre in NSW”**

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**Co-operative Federation of Victoria Ltd**

**Yeoval** is a rural town located in Central Western New South Wales. Population around the town is 550, and a district population of around 1500. The rural cities of Orange and Dubbo are both about 75 kilometres from Yeoval, in opposite directions.

**Primary Activity:** “The provision of hospital and related health and aged care services.”

**Active Membership requirements:** “Payment of Annual Membership fee, \$10.”

**Number of Directors:** 9, 3 male, 6 female

### Background to Formation (1989)

When Yeoval Public Hospital was closed by the NSW Government in 1988, because it was deemed non-viable, it left the town with no more than an accident and emergency service, open just 5 days a week, eight hours a day.

The local community, however, was not prepared to lose its hospital without a fight. Following the hospital's closure, concerned residents held a number of public meetings, and with the support of a number of people, including their State Government member who was a staunch advocate of co-operatives, they agreed to form the Yeoval Community Hospital Co-operative Ltd. at a public meeting held in January 1989. Over 250 community members became foundation shareholders of the co-operative.

### Formation of the Co-operative

The co-operative decided to create the first Multi-Purpose Health Centre in NSW. A board of nine volunteer directors was elected. Almost \$100,000 was raised through local charities and from the co-operative's 250 shareholders who were required to purchase 5 shares of \$2 value, fully paid. The co-operative also successfully lobbied the Federal Government, which provided more than \$300,000 under an Aged and Community Care Program.

The State Government agreed to make the funds it would have contributed to the hospital, had it remained in State hands, available to the co-operative; and the Co-operative Development League (a NSW Government initiative) guaranteed bank loans to get the project going.

It (the Co-operative Development League) also carried out a feasibility study and prepared a business plan on behalf of the co-operative.

The Yeoval Multi - Purpose Health Centre was re-opened in July 1989 with a seven bed Hospital and a seven bed Nursing Home.

### Post-formation

The co-operative now has over 450 shareholders, including most of its 50 or so staff members. The importance of this large local membership cannot be underestimated. Yeoval has shown that, not only can the costs associated with the provision of a Health Care service be reduced by community ownership allowing better flexibility in administration and staffing, but profits can be made, thereby enabling the expansion of basic services.

In 1992 it opened a nine bed Hostel costing approximately \$450,000. In 1999 an eight bed Special Care Unit for dementia residents was opened, complete with renovations to Administration, Doctors Surgery, Physiotherapy room and Staff room, at a total cost of \$500,000. From losing their “non viable” 8 bed public hospital in 1988, the community of Yeoval currently operates a very cost effective Multi-Purpose Health Centre consisting of: 7 bed hospital, Accident & Assessment Room, 9 bed Nursing Home, 9 bed Hostel, 8 bed Special Care Unit for dementia, Day Care Centre, Physiotherapy, Community Care Packages, Volunteer Ambulance, Meals on Wheels, Doctors Surgery and X-ray facilities.

The co-operative in building this facility has spent over \$1.5 million and is debt free. Foundation Chairman and Chief Executive Officer, Col Francis says, “We wouldn't be where we are today, without the co-operative structure and its unique way of involving the entire community in the hospital and its future.”

Community spirit working to achieve a common goal, a sense of achievement, pride of ownership motivation and incentive to cater for local needs all contribute to the success of the centre.

The Board recognises that effective management of the co-operative's financial resources is critical to its survival. Recent financial statements indicate that in all except one year, the co-operative has achieved a financial surplus. It also places an emphasis on communication between itself, staff and the community.

The co-operative's impact on the local economy has been crucial; it has an annual payroll of \$1.5 million and is the largest local provider of employment - employing 55 people. The co-operative model has placed control of the Health Centre in the hands of the local community, it has become their Health Centre. Local community involvement in Yeoval has resulted in a great Health Centre, and has produced many other beneficial effects, not the least of which has been the drawing together of the community, and the re-establishment of local pride in achievement. The board is currently compiling a five year strategic business plan.

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